

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: September 24, 2019
Subject: Budget Analysis Report

Budget Analysis Report

The purpose of the monthly budget analysis report is to make the County Supervisors and Administration aware of certain issues that may present a problem in the near future or are currently a problem. It is important that appropriate action be taken to address these issues or concerns before they become a problem.

We have analyzed the revenue and expenditure budgets for the County departments as of August 31, 2019 and have noted certain items Supervisors should be aware of.

Revenues

Sheriff

State Aid Claims – Departments are responsible for administering their grants and part of that responsibility is to submit claims for reimbursement on a timely basis. Claims should be submitted on a quarterly basis for cash flow purposes and so that the County can optimize interest earnings. As of the date of this report, the Sheriff department has not prepared and submitted State Aid Claims to the County Treasurer for review and signature so that the County can be repaid money advanced for grants in a timely manner as follows:

<u>Year of Grant Expenditure</u>	<u>Amount Expended</u>
2018	807,243
2019 (as of 6/30/19)	307,796
	<u>1,115,039</u>

The Sheriff department did prepare a claim in the amount of \$169,396 for one of their grants on September 5, 2019 which has been reviewed by the Treasurer's Office and submitted to the State for reimbursement. This amount is not included in the \$1,115,039 amount above. The Sheriff and Treasurer Departments are currently working together to get the rest of the claims prepared and submitted.

County Clerk

County Clerk Fees – As of August 31, the department has received \$868,754 in County Clerk Fees in 2018 and \$878,870 in 2019 which is an increase of 1%. It should be noted that the 2019 amount is at 70% of the budget for this account so the actual revenue received is on target to exceed the budget.

Mortgage Tax – As of August 31, the department has received \$1,277,097 in Mortgage Tax in 2018 and \$980,700 in 2019 which is a decrease of 23%. It should be noted that the 2019 amount is at 58% of the budget for this account so the actual revenue received is below the budgeted amount. This was caused by the State Legislature failing to authorize a portion of the County's mortgage recording tax which expired on December 1st. The State Legislature approved the additional mortgage tax in 2019 and it was imposed with an effective date of April 1, 2019.

Automobile Use Tax – As of August 31, the department has received \$296,553 in Automobile Use Tax in 2018 and \$290,678 in 2019 which is a decrease of 2%. It should be noted that the 2019 amount is through July and is at 61% of the budget for this account, so the actual revenue amount received is on target with the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$981,048 more in sales taxes through August, 2019 than we did through August, 2018 which is a 2.8% increase.

Interest & Earnings – As of August 31, the department has received \$72,627 in Interest & Earnings in 2018 and \$130,732 in 2019 which is an increase of 80%. It should be noted that the 2019 amount is through July and is at 163% of the budget for this account, so the actual revenue amount has already exceeded the budget.

Tourism

Occupancy Tax – The department has collected \$160,928 more in occupancy taxes as of August 31, 2019 than we did as of August 31, 2018 which is a 9% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of August 31, the department has received \$106,208 in Jail Services, Other Government in 2018 and \$184,058 in 2019 which is an increase of 73%. It should be noted that the 2019 amount is through July and is at 105% of the budget for this account, so the actual revenue amount received has already exceeded the budget.

Building & Fire Code

Building Permits – As of August 31, the department received \$125,107 in building permits in 2018 and \$162,670 in 2019 which is an increase of 30%. It should be noted that the 2019 amount is at 81% of the budget for this account so that actual revenue received is on target to exceed the budget.

Westmount Receivables

Universal Settlement - \$327,093 was recorded as a receivable for a universal settlement prior to the sale of Westmount. This amount is to be paid over a five year period. The first payment is being held up because the new owners of Westmount are contesting that they are entitled to receive a portion of this settlement. **A settlement has been reached whereby Warren Operations Associates, LLC will be receiving \$120,000 of the Universal Settlement. We have received \$131,579 of the amount owed to the County with the balance coming at a later date. We received \$43,860 on October 22, 2018 with the balance coming at a later date.**

Lake George Watershed Conference

We currently have an outstanding receivable from the Lake George Watershed Conference for \$50,000 dating back to 2007 relating to a Valley Woods Road Project.

The grant administrator handling this project for the County has been charged with a felony and everything is currently under investigation so it is uncertain when and if the County will receive payment. Based upon information provided by the Town of Queensbury, the Town fully paid their \$100,000 share of the project to the grant administrator who was acting on behalf of the Lake George Watershed Conference. The County only received \$50,000 of this money.

The County has elected to bring a civil suit against the former grant administrator.

Health Services

Home Nursing Charges – As of August 31, the department has received \$2,286,227 in Home Nursing Charges in 2018 and \$2,190,730 in 2019 which is a decrease of 4%. It should be noted that the 2019 amount is through July and is at 52% of the budget for this account, so the actual revenue amount received is lagging behind the budget.

Expenditures

Please see the attached Budget Exception report which summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future. We are reporting on an exception basis only.

The following departments are reported in the Budget Exception report with over expended budget line items as of August 31, 2019. Some of these departments have not addressed this issue and there have been repeated issues each month. These need to be addressed in a timely manner.

Forfeited Crime Proceeds
 Health & Human Services Building (**Repeat Issue**)
 Waste Management Containment (**Repeat Issue**)
 Taxes & Assessments on Property
 Sheriff's 911 Center (**Repeat Issue**)
 Sheriff's 911 Center, 2017-18 PSAP Grant (**Repeat Issue**)
 Sheriff's Law Enforcement (**Repeat Issue**)
 Sheriff's Law Enforcement – Forfeited Crime Proceeds
 Probation (**Repeat Issue**)
 Building & Fire Code (**Repeat Issue**)
 Public Nursing Home
 Tourism (**Repeat Issue**)
 OFA – Hamilton County (**Repeat Issue**)
 Up Yonda Farm (**Repeat Issue**)
 Historian (**Repeat Issue**)
 Planning GIS Program (**Repeat Issue**)
 Machinery

Capital Projects

Departments should be reviewing their capital projects to make sure that they are closed soon after completion of the project. The following are capital projects where there has not been any recent activity and a determination should be made by the responsible department whether or not the project should be closed. Responsible departments should also determine if any outstanding State/Federal receivables associated with their projects are collectable and if not they will have to be written off and a funding source will have to be identified for the costs not reimbursed by State/Federal government. **There hasn't been any recent action taken to address the Department of Public Works projects.**

Department of Public Works	Date of Last Activity	Cash	State/Federal Receivable	Deposit with Other Govt
H199 - Corinth Road	5/2016	100,508	22,119	-
H200 - Quaker Road Signal Imp	12/2013	-	11,283	-
H214 - Woolen Mill Bridge	10/2013	31	18,486	-
H219 - RR Track Restoration	5/2009	-	534	125,000
H258 - Tannery Bridge over Stony Creek	8/2010	-	63,791	-
H291 - Elevator Repair - Municipal Center	No Activity	-	-	-
H323 - Gaslight Festival Space	9/2013	-	-	-
H346 - Env Assess - Airport Obstruct Rem	12/2015	-	-	-
H348 - Airport Equipment Building Repair	8/2016	1,758	301	-
H355 - Municipal Cntr Security Renovation	10/2016	-	-	-
H357 - CR Wood Park Fest Space Fence	4/2015	-	-	-
H361 - Brant Lake Lower Dam	12/2015	-	-	-

Notes:

1. H200 – Quaker Road Signal Imp – There is a liability back to the General Fund that is not funded for \$136,647 which will need funding before it can be repaid and the project closed.
2. H219 – RR Track Restoration – The Treasurer's Office has made numerous requests to DPW over the years to obtain an accounting from the State for the \$125,000 deposit that was made to the State without any success. We need some sort of documentation from the State showing that they spent the County's money on this project.
3. H291 – Elevator Repair – Municipal Center – This project was opened in August, 2008 for \$41,800 and has had no activity. This project was funded with reserve money and if there is no expectation to expend this money in the near future then it must be returned to the Reserve, Rehab County Buildings (A 871.00) in the General Fund.

County Debt Balances

The following shows the County's current debt outstanding as of August 31, 2019 along with ending debt balances for future years:

Bonds	Current Balance	End of 2019 Balance	2020	2021	2022	2023- 2027	2028- 2032	2033- 2037
Pub Safety Bldg & Com Upgrade	4,325,000	4,325,000	3,240,000	2,165,000	1,085,000	-	-	-
Recovery Act Bonds, Various Proj	16,265,000	15,570,000	14,845,000	14,080,000	13,280,000	8,605,000	2,740,000	-
Court Expansion - 2015	6,980,000	6,980,000	6,625,000	6,260,000	5,890,000	3,880,000	1,565,000	-
Court Expansion - 2017	7,740,000	7,740,000	7,390,000	7,030,000	6,665,000	4,715,000	2,515,000	-
SUNY Adirondack NSTEM - 2017	5,250,000	5,250,000	5,010,000	4,765,000	4,515,000	3,190,000	1,700,000	-
Capital Leases								
Municipal Center Energy Project	1,003,899	781,028	539,915	279,884	-	-	-	-
Countryside Adult Home Energy Proj	73,920	66,761	37,616	7,630	-	-	-	-
Total Outstanding	41,637,819	40,712,789	37,687,531	34,587,515	31,435,000	20,390,000	8,520,000	-

Again, we invite comments from Supervisors and department heads to expand this into a more useful management tool in these critical financial times.